

Calendar Year (CY) 2022 Medicare Advantage (MA) and Part D Rates

Summary

On January 15, CMS issued the [final rates and methodology for CY 2022 Medicare Advantage and Part D plans](#), three months ahead of its traditional release in order to give plans additional time to prepare their bids for 2022. Bids are due on June 7, 2021 (first Monday in June). CMS states that the CY 2022 Rate Announcement incorporates aspects of the impact of COVID-19 on health care costs in its estimates of Medicare spending. This rate announcement is preceded by the Contract Year 2022 MA and Part D Final rule released earlier that day that includes additional policies applicable to coverage for the 2022 plan year.

Rate Setting

CMS is projecting a 4.08% net payment increase for aggregate MA payments, up from 2.82% in the Advance Notice. This does not include underlying coding trends. CMS noted that the principal driver of the change in growth rates between the Advance Notice and Rate Announcement were changes in CMS' assumptions related to COVID-19. CMS expects that COVID-19 vaccine costs will be covered by plans in 2022 stating that estimated costs are reflected in the 2022 capitation rates and benchmarks.

The COVID-19 vaccine assumptions underlying the 2022 FFS USPPCs include the following estimations:

- Fifty-two (52) percent of FFS beneficiaries will receive the vaccine during 2022,
- There will be an average of 2.0 doses per utilizer, and
- The average Medicare program cost per dose will be \$88 (administration cost of \$28 and vaccine cost of \$60).

There is no explicit assumption for COVID-19 testing in the CY 2022 FFS USPPCs.

In response to a comment on the disparity of experience in health care utilization between SNPs and FFS and the recommendation to analyze SNP utilization in 2020 and determine if it would be more equitable to use 2019 FFS data as the baseline year for rate setting, CMS stated that the assumptions utilized were compliant with statutory rate setting requirements and that CMS did not have authority to set rates by plan type or plan experience. In addition, CMS stated that plan bids and risk adjustment account for plan-specific experience.

Risk Adjustment

Per Part I of the 2022 Advance notice, CMS will be fully phasing in the 2020 CMS-HCC model which accounts for conditions in the risk adjustment model ("payment conditions") and additionally for mental health, substance use disorder, and chronic kidney disease. Encounter data will account for 100% of the 2022 MA risk score calculation, up from 75% EDS/25% RAPS for 2021. CMS will no longer supplement EDS diagnosis data with RAPS diagnoses data from inpatient records.

CMS is proposing the 2022 MA coding pattern adjustment difference be 5.9 percent, similar to 2021 (minimum required by statute).

Reminder for 2022 Star Ratings

Deadline for all contracts to request a review of their data for 2022 Star Ratings, appeal and measurement data is June 30, 2021. All plans should immediately contact CMS after reviewing the various data sets released throughout the year if the data looks incorrect.

- Sponsors can view their Part C appeals data on the website:
medicareappeal.com/AppealSearch

CMS continues to consider different measurement concepts offered in response to the Advance Notice, including Part C Provider Directory Accuracy and COVID-19 Vaccinations.

Part D

Changes in Part D cost sharing for 2022 are outlined below.

Part D Benefit Parameters

	2021	2022
Standard Benefit		
Deductible	\$445	\$480
Initial Coverage Limit	\$4,130	\$4,430
Out-of-Pocket Threshold	\$6,550	\$7,050

Click [here](#) to access the 2022 MA and Part D CMS Fact Sheet.